ressed when the deal was made public last Thursday evening. This agreement follows:

"The following tentative financial plan is approved in connection with the proposed accession of Midvale Steel and Ordnance Company, under that or some other name, of the assets and properties of the Inland Steel Company, and Republic Iron and Steel Company, as set forth in the attached memorandum: It is proposed that the bankers are to organize a syndicate or syndicates with the cash application of \$64,064,925. The syndicate is to agree with the Midvale Company that after the merger therein of the Inland Company and accession of the Republic Iron and Steel Company's properties it will purchase \$25,351,475, par value, of preferred stock and \$05,331 shares of common stock without par value of said Midvale Company for \$44,064,925, to provide for the cash payment of \$24,064,926 to Inland stockholders and to provide additional cash working capital for such Midvale Company. The syndicate is also to provide up to \$20,000,000 cash to be used in the discretion of the syndicate managers in the purchase of additional shares of stock of said Midvale Company from the company or otherwise. As managers of the foregoing syndicate or syndicates the bankers shall have the right to charge a commission as managers not to exceed 15 per centum of the profits the bankers shall have the right to charge a commission as managers not to exceed 15 per centum of the profits thereof. Fifty-nine thousand five hundred additional shares of Midvale stock without par value shall be sold to the bankers at the price of \$10 per share in order to assure to them a substantial interest in the said Midvale Company, and 25,500 shares of said common stock shall be sold at the same price to Thomas L. Chadbourne, who has directed negotiations of the plan as outlined in the attached memorandum."

"You expect to underwrite it all?"
saked Mr. Untermyer.
"Yea," roplied Mr. Schiff.
"You expect to market it in the open
market?"
"Fracel."

"Exactly."
"In order to market it in the open market, the vendors agree to hold the stock for a given time?"
"No."

upon the market that you are making for this stock?"

"I am not making any market."

"Who is going to make the market?"

"I truet the public will have sufficient confidence in this thing, as we have, to buy the stock."

"Mr. Schiff, do you mean to have the Committee understand that this syndicate does not prepare to de anything to-

Committee understand that this syndi-cate does not propose to do anything to-ward making the market?"
"I do not understand what you mean by 'making a market."
"You do not? How many years have you been in the street?"
"About thirty."
"How many pools have you been as-

making a market in stock, do you?"

"I heard of it, but you apparently are better informed on it than I am."

"You have never been a party to any syndicate operations, have you?"

'I have been a party to a good many syndicate."

"Selling the stock how? On the mart?"

"On the market, or by issue or by
ivate treaty."

"Are you intending to make a public
sus?"

"We may."

"We may."

"We may."

"You have to give all the particulars?"

"You have to give all the particulars?"

"No: they do not require a very full statement for issue on the 'when issued'

"The syndicate has not yet been statement for issue on the 'when issued'

### Wash Sale, Idea Resented.

"And in the operation of this syndi-te you are giving only selling orders d no buying orders?"
"Not necessarily. I am giving selling

"You are going to give selling orders
and buying orders?"
"No, we give buying orders for stock
which we wish to acquire."
"And selling orders for stock you
wish to sell?"
"Everth"

"I resent the statement of Mr. Untermyer to Mr. Schiff, and I object to it and want the objection recorded."
Mr. Untermyer: "Well, Mr. Schiff, you may do as you please about that."
The lawyer repeated his question:

### "No Idea of Manipulation."

ers proposing to market this ock, are you not, by buying and selling

ou want to buy the stock that you are illing,"
"Because there come times where the ock is pressing on the market, when opie want to sell, and somebody wants buy it, and we are quite ready to so."

trading in this stock by a pool, manipulation, of the stock?"
"I object to the term 'manipulation."
"One moment, you do not regard that as pool manipulation, do you?"
"I do not know what you mean by pool manipulation, if that is what you call nool manipulation, because you know

"There is no manipulation whatsoer."
"You know how large blocks of stocks of marketed by syndicates, do you assurance that that is a good thing they take it?"
"They know we would not put ou name to it otherwise."
"When your company says that it is a good thing they will take it?"
"There is no assurance given. The fact that we offer it..."
"There is no assurance given. The fact that we offer it..."

"That is quite enough?"
"That is quite enough."
"And they take it and agree to pay \$43 a share for it, and that is the same class of stock that you agree to pay ten dollars a share for?"
"Yes." "They are marketed through a broker

mained?"

"That is not our experience."

"What is your experience?"

"Our experience is that the public, rightly or wrongly, has apparently considerable confidence in our record and our knowledge and our judgment, and that if we buy something, be it bonds or he it sheres, and put a price upon it, the public as a rule is ready to buy it because they think they are making a wise purchase."

"It may or may not."

"Have you any doubt that it does? If you have an

"That has been the reputation of your

"That has been the reputation of your house."

"Yes."

"Nobody is questioning the reputation of your house?"

"You apparently are."

"You made the statement—"

"I don't care to have any controversy or discussion with you, Mr. Schiff. I would like you to answer my question. But I would like to say to you that nobody is questioning either the integrity or the standing of your firm. We are questioning methods, prevailing methods of disposing of security. In order that the syndicate shall come out even it has got to get on the figures you have fixed here at least \$43 a share for this common stock?"

"Assuming they get substantially 96 for the preferred."

"Syndicate Gets Extra Profit." "And then when the profits are ascer-tained over and above \$43 per share for this stock, how much of that goes to the syndicate; everything over 15?" "Eighty-five per cent. to the syndicate and 15 per cent. to ourselves for manag-ing it."

"By managing the syndicate, you mean marketing the stock in the way you have tescribed, do you?"
"Yes."

"Yes."
"That is your present impression?"
"In a general way I should say that would be the result."
"And any profits that are realized on trading in the stock; that is, buying it at one price and selling it at another, that becomes part of the syndicate

"I ask you how many shares you ex-pect to tradein, to buy and sell back and forth, in order to market 505,000

shares?"
"I do not trade back and forth."
"How many shares do you expect to
have to trade in?"
"I have no idea."
"You cannot tell?"
"It depends upon the market."
"It depends upon the avidity of the
investor?"

Refuses to Name Combinations.

Mr. Untermyer explained to the witness again the committee interest in the proposed mergers as affecting housing and the atructural steel market and endeavored to draw from him the names of other companies that may be under consideration by the bankers in possible combinations. Mr. Schiff refused to name them on the ground that the discussions were in such a state that they might hever be taken up seriously.

"I am answering my thank you can an ever that question."

Mr. Untermyer: "Cannot answer it yes Mr. Untermyer: "Very well, the witness cannot answer that question. You can either answer the question or you can either answer that question. You can either answer that question. You can either answer that question or because it is phrased in such a bundence that it is impossible."

Mr. Untermyer: "Very well, the witness cannot answer that question or you can either answer that question."

Mr. Untermyer: "Very well, the witness cannot answer that question or because it is phrased in such a bundence that it is impossible."

Mr. Untermyer: "Very well, the witness cannot answer that question. You can either answer that question."

Mr. Untermyer: "Very well, the witness cannot answer that question."

Mr. Untermyer: "Very well, the witness cannot answer that it is impossible."

Mr. Untermyer: "Very well, the witness cannot. Now, just as soon as this transaction is concluded, your syndicate proposes to market this stock on the extensions."

"Not necessarily; we may hold it."

that they might hever be taken up seriously.

Mr. Untermyer did not press this line of inquiry, but Mr. Schiff's resentment to the questions began to rise from this point. Mr. Untermyer asked:

"Now in addition to this 15 per cent... Mr. Schiff, that you are to get from any profits of the syndicate in connection with the marketing of this stock, I understood you to say you were to get 5500 shares of the stock."

"At \$10 a share."

"What are you going to do for it?"

"We are taking the responsibility toward the public of fathering financially this concern. We propose to take a continuing interest in it the way we do with other large corporations with which we are connected."

"You mean you get this \$2,000,000, or whatever more you may get out of the stock, for the moral responsibility that your firm assumes in fathering this as the bankers for the new company, is that it?"

"No, I do not mean that."

"That is one of the things."

"So this is a buying syndicate."

No, it is only a buying syndicate."
"But this syndicate is selling and buying, isn't it?"

"The obligation of the syndicate is to buy."

"And the purpose of employing the managers is to sell, isn't it?"

And the purpose of empoying the managers is to sell, isn't it?"
"Is to liquidate the holdings of the syndicate."
"That means selling—liquidating?"
"Yes."
"So it is a buying syndicate and a selling syndicate?" "To do what?"
"At all times to give it financial advice and to give it, if necessary, financial backing, and we are only willing to do that if we have a strong financial and continuing interest in the concern."

selling syndicate?"
"It is a buying syndicate according to the bankers' idea. Every syndicate is a buying and selling syndicate."
"And they buy and sell at the same time?"
"No."
"I do not mean at the same second. I mean during the operations of the syndicate?"
"No. That is where you are wrong. Mr. Untermyer. You may have had ex-"I thought it was costing you the financial interest, the moral responsibility and the watchful eye?"
"If they think it advisable for us to have a financial interest, and are ready to sell us 59,500 shares at \$10 a share."
"Which you can sell at \$43 on the market?"
"Year." "No. That is where you are wrong.
Mr. Untermyer. You may have had experlence in that way but I haven't. I
know something about your transactions
I know you have a large interest in
Bethlehem."

"So that that is really a present, gift Bethlehem."
"Don't teil me about your experience or mine. I think I know yours and I do not think you know mine. If you think you know any of mine you are at liberty to state them now from the witness stand and not dare make these

"I resent the word 'contemptible."

"I'resent the word 'contemptible."

"They are contemptible because they are not true."

"I do know some of your transactions. I know you are a large shareholder of Bathlaham." "It is in order to make a market for those who wish to dispose of their stock at what we believe is below its value."

"Then you sell it again, the stock that thing with respect to marketing the 505,-

"Yes."
"And they are men in the banking

"What the syndicate agrees to do is, besides marketing this stock, is to expend up to \$20,000,000 in the purchase of additional stock?"

"Yes in the

"Trade Not Simultaneous."

and it is buying stock from the public?
"No, Mr. Untermyer."

so that they are facts and do

you do not understand the question do not answer."

Mr. Schiff: "If you are not going

Will Take Untermyer Along.

"How long are you contemplating tak-ing to dispose of these 505,000 shares of common stock, and 250,000 shares of preferred stock?"

"Not as big a block as this

"So that while with one hand it is

Untermyer—"Mr. Chairman, I it is time to admonlah this wif-I think endurance has reached

Mr. Schiff-"There is animus in that

The Chairman—"I think you can state that question in a little different form." Giving No Wash Orders.

Mr. Schiff—"I haven't the faintest idea of what we are going to do, but you can be sure of one thing, we are not giving any wash orders. That is your before."

"We are not dicussing your characterization of these orders. The question is are you going to have the same brokers execute the orders for the buying end of the syndicate as for the

suggestion that the \$20,00,000 cash fund provided by the underwriting plans was for manipulating the market. The discussion between the banker and the lawyer reached its climax at this point when Mr. Untermyer warned the witness that he was taking chances on going to jail. By way of explaining a question, Mr. Schiff began:

"I am glad you have reached that conclusion."

conclusion."
"I assume that you want to be fair, I think this statement that 'insiders can unload and outsiders be loaded up,' should be withdrawn if made."
Mr. Untermyer—Mr. Schiff, I will make my own statements in my own Schiff began:
"The \$20,000,000 of which we have I thi "The \$20,000,000 of which we have been speaking is \$20,000,000 furnished by the syndicate, which makes up the difference between \$44,000,000 and \$64,000,000, the total obligation to be furnished by the syndicate to the extent we may call upon them, to buy stock in the market to provide for the small stockholders who may want to sell if the public does not want to buy. We are ready to back our judgment with the additional \$20,000,000 to buy the stock even though the public does not want to buy it."

Eight Companies Originally.

Eight Companies Originally.

Mr. Chadbourne testified that he had undertaken the merger of several steel companies—eight at the outset—about a year ago, as an independent venture, and because he "thought the steel situation needed a merger and needed it very badly." He took the position that in the negotiations he was acting as counsed and in a confidential relationship and declined to answer pertinent questions.

Alfred B. Sturges, secretary of the New New York Curb Market Assobation, presented letters from Mossbacher, the curb broker, requesting authority to trade in North American Steel. The letter was received at the office of the Curb market early Friday morning, he said. Information concerning the merger issue was then obtained from Mr. Chadbourne and trading began at 1 o'clock Friday afternoon. In two hours, Sturges said, 40,009 shares had been dealt in at around 50 and 51. The data obtained by the Curb Association from Mr. Chadbourne showed, according to Mr. Untermyer, no mention of any additional stock issues; of the syndicate managers' bonus or of the provision under which a fund of \$875,000 was to be furnished to take care of back ation among the various agencies in dividends of the Republic Iron and Steel.

### WIRE TAPPERS GET ing to out words in my mouth, that we are manipulating stock, and I will not do it. I refuse to answer another ques-N. Y. MAN'S \$20,000

### Stranger Leads Grand Street Milliner to Gang's Den.

ATLNATIC CITY, June 3.—Louis Remner, age 42, a wholesale milliner of 382 Grand street. New York, was fleeced out of \$20,000 in the ancient wire tapping game, according to a complaint he made to the police e today.

Boddy, young Harlem negro under death sentence for the murder of Detectives Miller and Buckley Inst January, control in the submitted to the Court of Appeals for reversal of the conviction that the prisoner was the "legal victim of public clamor and partisan feeling."

Mr. Untermyer: "Then you take chances of going to jail." Mr. Schiff: "All right, I will take that chance, and you will appear in my made to the police e today.

Remner arrived here several weeks ago and made the acquaintance of an engaging stranger on the boardwalk. He was told of winnings on the races and the meeting resulted in Remner being taken to a house in Connecticut avenue. Several bets were made and Remner won.

think not this time." If you cannot answer, Mr. Schiff, you will state so."
Mr. Schiff: "Mr. Untermyer won't avenue. Several bets were made at Remner won.

Finally Remner was persuaded to bet \$20,000 on a horse and he was told that he had won, the amount of his winnings being \$100,000. Before the men would being \$100,000. mr. Ontermyer: "You answer my question."

"I am answering my question."

The Chairman: "I think you can answer that question."

Mr. Schiff: "I cannot answer it yes

Manhattan and drew \$20,000 from a

### ELIHU ROOT 'PROFITEER,' SAYS MAYOR THOMPSON

To Testify Further in His Chicago Libel Suit.

CHICAGO, June 3.—Mayor William Hale Thompson will be called to the witness stand again by the Chicago Tribane when his \$500,000 libel suit against the newspaper, resulting from criticism of his war record, is resumed next week, it was announced to-day.

On the stand, when he was called un-On the stand, when he was called un-expectedly yesterday, the Mayor en-gaged in sharp tilts with Weymouth Kirkiand of the Tribane counsel, re-ferring to Elliu Root as a "profiteer" and declaring there was a slight doubt in his mind as to former Gov. Frank O. Lowden. He believed John B. Rockefeller lost no money curing the

war.

"There was a meeting at the stock-yards in the latter part of April or the early part of May, 1917, addressed by Theodore Roosevelt." Mr. Kirkland said. "Was he a profiteer?"

"I wouldn't say that he was; no," the Mayor replied.

### ASKS UNTERMYER'S AID IN GASOLINE INQUIRY Lawyer Does Not Reply Def-

initely to La Follette.

Disputch to THE NEW YORK HERALD New York Herald Bureau. Washington, D. C., June 3. Chairman La Follette (Wis.), of the Committee on Mapufactures of the Senate, to which was referred the McKellar resolution asking for an inquiry into the recent jump in the price of gasoline, is anxious to have Samuel Untermyer of New York conduct the investigation. Senator La Foliette sent a letter to Mr. Untermyer sounding him out." Mr. Untermyer replied he was busy, but did

not refuse, nor did he indicate he wo accept.
The Senate Committee on Contingent
Expenses to-day authorized the Committee on Public Lands to employ a lawthe Chairman—"Every one knows Dome, a naval oil reserve in Wyoming, to Harry F. Sinclair and associates, which led to charges in the Senate.

Commercial Discussions to Be Undertaken at Honolulu

MANY NATIONS INVITED

Include All Governments Whose Territory Borders the Pacific Ocean.

participate in a Pan-Pacific conference eiling end?"
on commerce, to be held at Honolulu
"I haten't the faintest idea what next October, have been transmitted "I haven't the faintest idea what brokers we are going to employ for any purpose whatsoever."

"Have you taken into consideration the fact that the United States Steet Company can make from three to five dollars a ton when these companies cannot make anything?"

"We have you taken into consideration the fact that the United States Steet Company can make from three to five dollars a ton when these companies cannot make anything?"

Mr. Schiff interposed an objection to a statement in a morning newspaper quoting Mr. Untermyer to the effect that the merger provided opportunity for the "insiders to unload and the outsiders to load up." He demanded Mr. Untermyer's withdrawal of the objectionable phrase, withdrawal of the objectionable phrase, whereupon the lawyer ordered the banker back to the stand and led him once more over the contemplated action of the syndicate in regard to the common stock.

Mr. Schiff objected vigorously to the suggestion that the \$20,000,000 cash fund provided by the underwriting plans was provided by the underwriting plans was provided by the market. The dischange of hours in the president had requested this change of hours?"

"I only know that the President had requested this change of hours."

"I only know that the President had requested this change of hours."

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"I only know that the President had requested this change of hours."

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"I only know that the President had requested this change of hours."

"I only know that the President had requested this change of hours."

"I only know that the President had requested this change of hours."

"I only know that the President had a Salvador, Nicaragua, Honduras. Costa Rica, Panama, Colombia. Ecuador, Peru, Bolivia, Chile, Japan, China and Siam.

Similar invitations have gone forward through the appropriate British diplomatic representatives."

the conference is not to be considered under the auspices or patronage of the Government of the United States.

### BODDY'S LAWYER CALLS HIM 'CLAMOR VICTIM'

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## HARDING TELLS HOUSE TO PASS NEEDED LAWS

try is against the bonus. In this opinto concur. He has had an advantage because he has received definite into popular sentiment regarding the

on commerce, to be held at Honolulu President assert that he believes if the Congressional program is stripped through the State Department to all the of the bonus and other harmful or expected the congressional program is stripped to the con traneous undertakings it can be put resulting rapid improvement in economic conditions will save the party to have acted upon recommendation of in the coming elections. The Presi-the Department of the Interior, under dent is c. edited with the opinion that the jurisdiction of which Hawaii falls. the tariff, the navy and the ship sub-bodying the suggestions made by the

respective armies, are not so

coeding on a "go it alone" arogram. Some of the leaders are even in r volt against the President, whose suoward the commander in chief of their party. They did so in passing the bonus bill in the face of a protest that should have resulted in its being

thrown into the discard.

Some of the Senate leaders, notably mander, also have ignored the wishes of the President in this and other ination the President's concern over the effect of it is held by outside leaders to be fully justified,

islative program to-day, probably the

In the detailed discussion of legislahe vitally essential to the welfare Files Appeal for Slayer of of the opposition of the agricultural Two Detectives.

Two Detectives. date to keep the bill in the Marine a

the ranking majority members of the Merchant Marine and Fisheries Com-

The fight, of course, is one of tradi-

bill proposed by Mr. Harding unques-

mount importance if American ship-

ate, is opposed to it. The pressure applied by the President will in any

to recruit votes to the support of a reasure it can be put through.

The Senate end of the problem is

tion to the subsidy plan for reasone

to handle and deliver. The Democrats in both houses will naturally vote against any ship subsidy bill. TREE PLANTING SUCCESSFUL.

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HUDSON BAY SABLE 60.	Section 1
NATURAL BLUE FOX 180.	
BEIGE FOX 85. STONE MARTEN	30
KOLINSKY 100. RUSSIAN SABLE	155
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